IN THE CLAIMS

1. (Currently Amended) A method for determining a useful life of balance sheet items, comprising the steps of:

(A) receiving data for each of a plurality of balance sheet items, the data including a sample of account balances, a size of the sample being $n = 4k^2 s^2/d^2$ wherein s is an estimated yearly retention rate, d is in the range of 0.01 to 0.03 and k corresponds to a level of significance;

(B) performing, in a computerized system, a dynamic calculation of a first retention rate for each of a plurality of balance sheet items using the data received in step (A);

(C) performing, in the computerized system, a steady-state calculation of a second retention rate for the plurality of balance sheet items using the data received in step (A); and

(D) combining said first and second retention rate to determine a predicted useful life of the combined plurality of balance sheet items; and

(E) outputting the predicted useful life.

2. (Original) The method of Claim 1, further comprising the step of selecting one of a plurality of variables affecting at least one of the retention rates.

3. (Previously Presented) The method of Claim 2, further comprising the step of determining a sensitivity of balance sheet item variables to other deposit variables.

4. (Original) The method of Claim 1, further comprising the step of forecasting scenarios extrapolated from said retention rate.

5. – 7. (Cancelled)

8. (Previously Presented) The method of Claim 1, wherein the data for each of the plurality of deposits includes total deposit balances, deposit rates, and a sample of account balances.

9. (Cancelled)

10. (Previously Presented) The method of Claim 1, wherein a length of the sample is four years.

11. (Previously Presented) The method of Claim 1, wherein k is 1.96.

12. (Previously Presented) The method of Claim 1, further comprising the step of checking for outliers in the plurality of balance sheet items.

13. (Previously Presented) The method of Claim 1, further comprising the step of including exogenous variables in at least one of the calculations.

14. (Previously Presented) The method of claim 13, wherein the exogenous variables are selected from the set of seasonal variables, day-of-the-month variables, treasury interest rates, interest rates, local unemployment rate, local personal income, and local retail sales.

15. (Original) The method of Claim 1, further comprising the step of including interest rate spread in at least one of the calculations.

16. (Original) The method of Claim 3, wherein the step of forecasting scenarios includes providing future values for use in at least one of the calculations.

17. (Previously Presented) The method of Claim 16, wherein the future values are selected from the set of forecast treasury rates, forecast horizon, forecast deposits, forecast retention rates, and forecast interest rates.

18. (Cancelled)

19. (Previously Presented) The method for determining a useful life of balance sheet items comprising the steps of:

(A)   performing, in a computerized system, a dynamic calculation of a first retention rate for each of the plurality of balance sheet items;

(B)   performing, in the computerized system, a stead-state calculation of a second retention rate for the plurality of balance sheet items;

(C)   combining said first and second retention rate to determine a predicted useful life of the combined plurality of balance sheet items;

(D)   selecting one of a plurality of variables affecting at least one of the retention rates;

(E)   determining a sensitivity of the selected variable to other balance sheet item variables;

(F)   forecasting scenarios extrapolated from said retention rate, wherein the step of forecasting scenarios includes providing future values for use in at least one of the calculations, and wherein the future values are selected from the set of forecast treasury rates, forecast horizon, forecast balance sheet items, forecast retention rates, and forecast interest rates;

(G)   wherein the balance sheet items include deposits and financial instruments;

(H)   wherein the data for each of the plurality of financial assets includes total balances, interest rates, and a sample of account balances, wherein a length of the sample is four years, wherein a size of a sample is $n = 4k^2s^2/d^2$, and wherein s is an estimated yearly retention rate, d is in the range of 0.01 to 0.03, and k corresponds to a level of significance;

(I)   checking for outliers in the plurality of balance sheet items;

(J)   including exogenous variables in at least one of the calculations, wherein the exogenous variables are selected from the set of seasonal variables, day-of-the-month variables,

treasury interest rates, interest rates, local unemployment rate, local personal income, and local retail sales;

(K)   including interest rate spread in at least one of the calculations; and

(L)   outputting the predicted useful life of the combined plurality of balance sheet items.

20.   (Currently Amended) A computerized system for determining a useful life of balance sheet items, comprising:

(A)   receiving means for receiving data for each of a plurality of balance sheet items, the data including a sample of account balances, a size of the sample being $n = 4k^2 s^2/d^2$ wherein s is an estimated yearly retention rate, d is in the range of 0.01 to 0.03 and k corresponds to a level of significance;

[[(A)]] (B)   means for dynamically calculating a first retention rate for each of the plurality of balance sheet items using the data received by the receiving means;

[[B]] (C)   means for calculating a steady-state second retention rate for the plurality of balance sheet items using the data receiving by the receiving means;

[[C]] (D)   means for combining the first and second retention rates to determine a predicted useful life of the combined plurality of balance sheet items; and means for outputting the predicted useful life.

21.   (Previously Presented) The system of Claim 20, wherein at least one of the retention rates is affected by one of a plurality of balance sheet item variables.

22.   (Currently Amended) The system of Claim 21, further comprising a [[a]] means for determining a sensitivity of one of the balance sheet item variables to other balance sheet item variables.

23. (Previously Presented) The system of Claim 20, further comprising means for extrapolating a forecast scenario from said retention rate.

24. (Cancelled)

25. (Previously Presented) The system of Claim 20, wherein the balance sheet items include financial instruments.

26. (Cancelled)

27. (Previously Presented) The system of Claim 20, wherein the data for each of a plurality of balance sheet items includes total balances, interest rates, and a sample of account balances.

28. (Previously Presented) The system of Claim 20, further comprising received data for each of the plurality of balance sheet items.

29. (Previously Presented) The system of Claim 20, wherein a length of the sample is four years.

30. (Previously Presented) The system of Claim 28, wherein a size of the sample is n = $4k^2 s^2/d^2$, and wherein s is an estimated yearly retention rate, d is in the range of 0.01 to 0.03, and k corresponds to a level of significance.

31. (Previously Presented) The system of Claim 20, further comprising means for identifying outliers in the plurality of balance sheet items.

32. (Previously Presented) The system of Claim 20, wherein exogenous variables are included in at least one of the calculations.

33. (Previously Presented) The system of Claim 32, wherein the exogenous variables are selected from the set of seasonal variables, day-of-the-month variables, treasury rates, interest rates, local unemployment rate, local personal incomes, and local retail sales.

34. (Previously Presented) The system of Claim 20, wherein an interest rate spread is included in at least one of the calculations.

35. (Original) The system of Claim 22, wherein the forecast scenario is based on a future value for use in at least one of the calculations.

36. (Previously Presented) The system of Claim 35, wherein the future values are selected from the set of forecast treasury rates, forecast horizon, forecast balance sheet items, forecast retention rates, and forecast interest rates.

37. (Previously Presented) The system of Claim 20, comprising a display of the predicted useful life of the combined plurality of balance sheet items.

38. (Currently Amended) A computerized system for determining a useful life of balance sheet items, comprising:

(A)   means for dynamically calculating a first retention rate for each of a plurality of balance sheet items;

(B)   a steady-state means for calculating second a retention rate for the plurality of balance sheet items;

(C)   means for combining the first and second retention rates, to determine a predicted useful life of the combined plurality of balance sheet items;

(D)   means for determining a sensitivity of a balance sheet item variable that affects at least one of the retention rates to other balance sheet item variables;

(E)   means for extrapolating a forecast scenario from said retention rate, wherein the forecast scenario includes future values for use in at least one of the calculations, and wherein the future values are selected from the set of forecast treasury rates, forecast horizon, forecast deposits, forecast retention rates, and forecast interest rates; and

(F) means for outputting the predicted useful life of the combined plurality of financial assets;

(G) wherein the data for each of the plurality of balance sheet items <u>used for calculating the first and second retention rates</u> includes total balances, interest rates, and a sample of account balances, wherein a length of the sample is four years, wherein a size of a sample is $n = 4k^2s^2/d^2$, and wherein s is an estimated yearly retention rate, d is in the range of 0.01 to 0.03, and k corresponds to a level of significance;

(H) <u>wherein</u> ~~identified~~ outliers <u>are identified</u> in the plurality of financial assets;

(I) <u>wherein</u> exogenous variables <u>are included</u> in at least one of the calculations, ~~wherein~~ the exogenous variables <u>being</u> ~~are~~ selected from the set of seasonal variables, day-of-the-month variables, treasury rates, interest rates, local unemployment rate, local personal income, and local retail sales; <u>and</u>

(J) <u>wherein</u> an interest rate spread <u>is</u> included in at least one of the calculations~~; and~~

~~(K) a display of the predicted useful life of the combined plurality of financial assets.~~

39. – 40. (Cancelled)

41. (Previously Presented) The method of claim 19, wherein k is 1.96.

42. (Previously Presented) The method of claim 30, wherein k is 1.96

43. (Previously Presented) The computerized system of claim 38, wherein k is 1.96.

44. (Previously Presented) The method of claim 1, wherein the balance sheet items comprise financial assets and financial liabilities.